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**November 30, 2000**

ROBERT M. C. ROSE  
OF COUNSEL

**VIA HAND DELIVERY**

**Ms. Blanca Bayo, Director  
Florida Public Service Commission  
Records and Reporting  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850**

**Re: Little Gasparilla Water Utility, Inc.; Docket No. 001049-WU  
Our File No. 35019.01**

**Dear Ms. Bayo:**

In accordance with Patti Daniels August 31, 2000 letter regarding the above-referenced docket, Little Gasparilla Water Utility, Inc. provides the following information:

1. In addition to being the President and the Director, John R. Boyer is also the Secretary/Treasurer of the corporation.

2. Enclosed is a copy of the 1999 Income Tax Return for the corporation along with a Balance Sheet and Profit and Loss Statement. The water treatment plant is operated on a contract basis by Joseph M. Gueltzow who holds a Class "C" Water Treatment Plant Operator License from the Florida Department of Environmental Protection, License No. 0006144.

3. A full size copy of the referenced maps were provided to Richard Redemann on September 27, 2000.

4. The larger maps were provided to Richard Redemann on September 27, 2000.

5.a There are approximately 250 homes adjacent to the existing system which are served by shallow wells or cisterns. Due to lack of rain, these alternatives have proved unsatisfactory and requests have been made of the company to extend its

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Ms. Blanca Bayo  
November 30, 2000  
Page 2

water system. An expansion of those facilities to meet that request is currently in process.

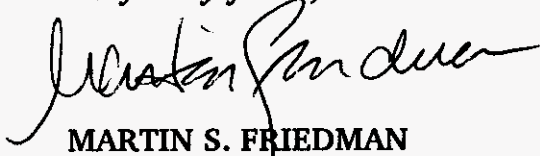
5.b To the best of the Applicant's knowledge, the provision of water service in this territory is consistent with the water section of the Local Comprehensive Plan as approved by the Department of Community Affairs at the time this application is filed.

Additional questions:

- (1) Except for service to 119 condos at Hideaway and 36 at Placida Harbor, the remaining dwellings are served by septic tanks.
- (2) The utility meets all existing water quality and quantity standards required by the Florida Department of Environmental Protection, as well as by Federal law.
- (3) Approximately 500 of the developable lots currently have water lines adjacent to them. These lots are owned by individuals.

Should the Staff have any additional questions, please do not hesitate to have them contact me.

Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

MSF/brm

Enclosures

cc: Mr. Jack Boyer  
Tyler Van Leuven, Esquire  
Ms. Cheryl Johnson (w/ enclosures)  
Mr. Richard Redmann (w/ enclosures)

#2

Form 1120S

U.S. Income Tax Return for an S Corporation

OMB No. 1545-0130

Do not file this form unless the corporation has timely filed Form 2553 to elect to be an S corporation.

1999

Department of the Treasury Internal Revenue Service

See separate instructions.

For calendar year 1998, or tax year beginning 1999, and ending

Header section containing: A Effective date of election as an S corporation (4/15/1998), B Business code no. (221300), C Employer identification number (65-0824222), D Date incorporated (4/07/1998), E Total assets (\$876,019), and company name: LITTLE GASPARILLA WATER UTILITY, INC.

F Check applicable boxes: (1) Initial return, (2) Final return, (3) Change in address, (4) Amended return. G Enter number of shareholders in the corporation at end of the tax year.

Caution: Include only trade or business income and expenses on lines 1a through 21. See page 10 of the instructions for more information.

Main table with columns for INCOME, DEDUCTIONS, and TAX AND PAYMENTS. Rows include: 1 Gross receipts or sales (117,275), 2 Cost of goods sold (6,193), 3 Gross profit (111,082), 4 Net gain (loss), 5 Other income (loss), 6 Total income (loss) (111,082), 7 Compensation of officers, 8 Salaries and wages, 9 Repairs and maintenance (7,072), 10 Bad debts, 11 Rents, 12 Taxes and licenses (461), 13 Interest (29,599), 14a Depreciation (42,041), 14b Depreciation claimed elsewhere, 14c Subtract line 14b from 14a (42,041), 15 Depletion, 16 Advertising (300), 17 Pension, profit-sharing, etc., plans, 18 Employee benefit programs, 19 Other deductions (See Statement... 1), 20 Total deductions (128,919), 21 Ordinary income (loss) (-17,837), 22 Tax: a Excess net passive income tax, b Tax from Schedule D, c Add lines 22a & 22b, 23 Payments: a 1999 estimated tax payments, b Tax deposited with Form 7004, c Credit for Federal tax paid on fuels, d Add lines 23a through 23c, 24 Estimated tax penalty, 25 Tax due (0), 26 Overpayment, 27 Enter amount of line 26 you want: Credited to 2000 estimated tax / Refunded.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge. Signature of officer: [Signature], Date: 11/16/00, Title: Pres.

Preparer's section: Preparer's signature: [Signature], Date: 11/13/00, Check if self-employed: [ ], Preparer's SSN or PTIN: [ ], Firm's name (or yours, if self-employed) and address: ROBERT L UNDERWOOD, 537 EAST PARK AVE., TALLAHASSEE, FL, EIN: 65-0778701, ZIP code: 32301.

# Application for Automatic Extension of Time To File Corporation Income Tax Return

Department of the Treasury  
Internal Revenue Service

Name of corporation

**LITTLE GASPARILLA WATER UTILITY, INC.**

Employer identification number

**65-0824222**

Number, street, and room or suite no. (if a P.O. box or outside the United States, see instructions.)

**PO BOX 5159**

City or town, state, and ZIP code

**GROVE CITY, FL 34224**

Check type of return to be filed:

- |                                      |  |  |  |                                       |
|--------------------------------------|--|--|--|---------------------------------------|
| <input type="checkbox"/> Form 1120   | <input type="checkbox"/> Form 1120-FSC   | <input type="checkbox"/> Form 1120-ND  | <input type="checkbox"/> Form 1120-REIT        | <input type="checkbox"/> Form 1120-SF |
| <input type="checkbox"/> Form 1120-A | <input type="checkbox"/> Form 1120-H   | <input type="checkbox"/> Form 1120-PC  | <input type="checkbox"/> Form 1120-RIC         |                                       |
| <input type="checkbox"/> Form 1120-F | <input type="checkbox"/> Form 1120-L   | <input type="checkbox"/> Form 1120-POL | <input checked="" type="checkbox"/> Form 1120S |                                       |
| <input type="checkbox"/> Form 990-C  | Note: Other 990 filers (i.e., Form 990, 990-EZ, 990-BL, 990-PF, and certain filers of Form 990-T (see instructions)) must use Form 2758 to request an extension of time to file. |  |  |                                       |
| <input type="checkbox"/> Form 990-T  |  |  |  |                                       |

Form 1120-F filers: Check here if you do not have an office or place of business in the United States

1a I request an automatic 6-month (or, for certain corporations, 3-month) extension of time until 09/15, 2000, to file the income tax return of the corporation named above for  calendar year 1999 or  tax year beginning \_\_\_\_\_ and ending \_\_\_\_\_.

b If this tax year is for less than 12 months, check reason:

- Initial return       Final return       Change in accounting period       Consolidated return to be filed

2 If this application also covers subsidiaries to be included in a consolidated return, complete the following:

| Name and address of each member of the affiliated group | Employer identification number | Tax period |
|---|--------------------------------|------------|
|   |                                |            |
|   |                                |            |
|   |                                |            |
|   |                                |            |
|   |                                |            |
|   |                                |            |
|   |                                |            |

3 Tentative tax (see instructions) ..... **3** **0**

4 Credits:

|  |    |     |    |
|--|----|-----|----|
| a Overpayment credited from prior year .....                           | 4a |     |    |
| b Estimated tax payments for the tax year .....                        | 4b |     |    |
| c Less refund for the tax year applied for on Form 4466 .....          | 4c |     |    |
| e Credit for tax paid on undistributed capital gains (Form 2439) ..... | 4e |     |    |
| f Credit for Federal tax on fuels (Form 4136) .....                    | 4f |     |    |
|  |    | Bal | 4d |

5 Total. Add lines 4d through 4f ..... **5** **0**

6 Balance due. Subtract line 5 from line 3. Deposit this amount electronically or with a Federal Tax Deposit (FTD) Coupon (see instructions) ..... **6** **0**

Signature. - Under penalties of perjury, I declare that I have been authorized by the above-named corporation to make this application, and to the best of my knowledge and belief, the statements made are true, correct, and complete.

[Signature]  
(Signature of officer or agent)

Attorney  
(Title)

3/11/00  
(Date)

**Schedule B Cost of Goods Sold** (see page 15 of the instructions)

|   |   |   |       |
|---|---|---|-------|
| 1 | Inventory at beginning of year .....  | 1 |       |
| 2 | Purchases .....   | 2 | 6,193 |
| 3 | Cost of labor .....   | 3 |       |
| 4 | Additional section 263A costs (attach schedule) .....                                   | 4 |       |
| 5 | Other costs (attach schedule) .....   | 5 |       |
| 6 | Total. Add lines 1 through 5 .....  | 6 | 6,193 |
| 7 | Inventory at end of year .....  | 7 |       |
| 8 | Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2 ..... | 8 | 6,193 |

- 9a Check all methods used for valuing closing inventory:
- (i)  Cost as described in Regulations section 1.471-3
  - (ii)  Lower of cost or market as described in Regulations section 1.471-4
  - (iii)  Other (specify method used and attach explanation) ▶ \_\_\_\_\_
- b Check if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ..... ▶
- c Check if the LIFO inventory method was adopted this tax year for any goods (If checked, attach Form 970) ..... ▶
- d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO ..... 

|    |  |
|----|--|
| 9d |  |
|----|--|
- e Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? .....  Yes  No
- f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? .....  Yes  No  
If "Yes," attach explanation.

**Schedule B Other information**

- |   |  | Yes | No |
|---|--|-----|----|
| 1 Check method of accounting: (a) <input type="checkbox"/> Cash (b) <input checked="" type="checkbox"/> Accrual (c) <input type="checkbox"/> Other (specify) ▶ _____  |  |     |    |
| 2 Refer to the list on page 26 through 28 of the instructions and state the corporation's principal:<br>(a) Business activity ▶ <u>UTILITY</u> (b) Product or service ▶ <u>UTILITY</u>  |  |     |    |
| 3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and employer identification number and (b) percentage owned .....  |  |     | X  |
| 4 Was the corporation a member of a controlled group subject to the provisions of section 1561? .....   |  |     | X  |
| 5 At any time during calendar year 1999, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? (See page 15 of the instructions for exceptions and filing requirements for Form TD F 90-22.1.) .....  |  |     | X  |
| If "Yes," enter the name of the foreign country ▶ _____   |  |     |    |
| 6 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the corporation may have to file Form 3520. See page 15 of the instructions .....  |  |     | X  |
| 7 Check this box if the corporation has filed or is required to file Form 8284, Application for Registration of a Tax Shelter ..... ▶ <input type="checkbox"/>  |  |     |    |
| 8 Check this box if the corporation issued publicly offered debt instruments with original issue discount ..... ▶ <input type="checkbox"/><br>If so, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.   |  |     |    |
| 9 If the corporation: (a) filed its election to be an S corporation after 1986, (b) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to its basis (or the basis of any other property) in the hands of a C corporation, and (c) has net unrealized built-in gain (defined in section 1374(d)(1)) in excess of the net recognized built-in gain from prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see page 15 of the instructions) ..... ▶ \$ _____ |  |     |    |
| 10 Check this box if the corporation had accumulated earnings and profits at the close of the tax year (see page 16 of the instructions) ..... ▶ <input type="checkbox"/>   |  |     |    |

**Schedule K Shareholders' Shares of Income, Credits, Deductions, etc.**

|                               |  | (a) Pro rata share items  |  | (b) Total amount |         |  |
|-------------------------------|--|---|--|------------------|---------|--|
| INCOME                        | 1  | Ordinary income (loss) from trade or business activities (page 1, line 21)  |  | 1                | -17,837 |  |
|                               | 2  | Net income (loss) from rental real estate activities (attach Form 8825)   |  | 2                |         |  |
|                               | 3  | a   | Gross income from other rental activities  | 3a               |         |  |
|                               |  | b   | Expenses from other rental activities  | 3b               |         |  |
|                               |  | c   | Net income (loss) from other rental activities. Subtract line 3b from line 3a                  |                  | 3c      |  |
|                               | 4  | Portfolio income (loss):  |  |                  |         |  |
|                               |  | a   | Interest income  |                  | 4a      |  |
|                               |  | b   | Ordinary dividends   |                  | 4b      |  |
|                               |  | c   | Royalty income   |                  | 4c      |  |
|                               |  | d   | Net short-term capital gain (loss) (attach Schedule D (Form 1120S))                            |                  | 4d      |  |
| e                             |  | Net long-term capital gain (loss) (attach Schedule D (Form 1120S)):<br>(1) 28% rate gain (loss) ▶ (2) Total for year ▶  |  | 4e(2)            |         |  |
|                               | f  | Other portfolio income (loss) (attach schedule)   |  | 4f               |         |  |
|                               | 5  | Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)   |  | 5                |         |  |
|                               | 6  | Other income (loss) (attach schedule)   |  | 6                |         |  |
| DEDUCTIONS                    | 7  | Charitable contributions (attach schedule)  |  | 7                |         |  |
|                               | 8  | Section 179 expense deduction (attach Form 4562)  |  | 8                |         |  |
|                               | 9  | Deductions related to portfolio income (loss) (itemize)   |  | 9                |         |  |
|                               | 10   | Other deductions (attach schedule)  |  | 10               |         |  |
| INVESTMENT                    | 11 a                                       | Interest expense on investment debts  |  | 11a              |         |  |
|                               | b  | (1) Investment income included on lines 4a, 4b, 4c, and 4f above<br>(2) Investment expenses included on line 9 above  |  | 11b(1)<br>11b(2) |         |  |
| CREDITS                       | 12 a                                       | Credit for alcohol used as a fuel (attach Form 6478)  |  | 12a              |         |  |
|                               | b  | Low-income housing credit:  |  |                  |         |  |
|                               |  | (1)   | From partnerships to which section 42(j)(5) applies for property placed in service before 1990 |                  | 12b(1)  |  |
|                               |  | (2)   | Other than on line 12b(1) for property placed in service before 1990                           |                  | 12b(2)  |  |
|                               |  | (3)   | From partnerships to which section 42(j)(5) applies for property placed in service after 1989  |                  | 12b(3)  |  |
|                               | (4)  | Other than on line 12b(3) for property placed in service after 1989   |  | 12b(4)           |         |  |
|                               | c  | Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)   |  | 12c              |         |  |
|                               | d  | Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities  |  | 12d              |         |  |
| e                             | Credits related to other rental activities |   | 12e  |                  |         |  |
|                               | 13   | Other credits   |  | 13               |         |  |
| ADJUSTMENTS TO TAXABLE INCOME | 14 a                                       | Depreciation adjustment on property placed in service after 1986  |  | 14a              |         |  |
|                               | b  | Adjusted gain or loss   |  | 14b              |         |  |
|                               | c  | Depletion (other than oil and gas)  |  | 14c              |         |  |
|                               | d  | (1) Gross income from oil, gas, or geothermal properties<br>(2) Deductions allocable to oil, gas, or geothermal properties  |  | 14d(1)<br>14d(2) |         |  |
|                               | e  | Other adjustments and tax preference items (attach schedule)  |  | 14e              |         |  |
| FOREIGN TAXES                 | 15 a                                       | Type of income ▶  |  |                  |         |  |
|                               | b  | Name of foreign country or U.S. possession ▶  |  |                  |         |  |
|                               | c  | Total gross income from sources outside the United States (attach schedule)   |  | 15c              |         |  |
|                               | d  | Total applicable deductions and losses (attach schedule)  |  | 15d              |         |  |
|                               | e  | Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued   |  | 15e              |         |  |
|                               | f  | Reduction in taxes available for credit (attach schedule)   |  | 15f              |         |  |
|                               | g  | Other foreign tax information (attach schedule)   |  | 15g              |         |  |
| OTHER                         | 16   | Section 59(e)(2) expenditures: a Type ▶<br>b Amount ▶   |  | 16b              |         |  |
|                               | 17   | Tax-exempt interest income  |  | 17               |         |  |
|                               | 18   | Other tax-exempt income   |  | 18               |         |  |
|                               | 19   | Nondeductible expenses  |  | 19               |         |  |
|                               | 20   | Total property distributions (including cash) other than dividends reported on line 22 below  |  | 20               | 81,000  |  |
|                               | 21   | Other items and amounts required to be reported separately to shareholders (attach schedule).   |  |                  |         |  |
|                               | 22   | Total dividend distributions paid from accumulated earnings and profits   |  | 22               |         |  |
|                               | 23   | Income (loss). (Required only if Schedule M-1 must be completed.) Combine lines 1 through 6 in column (b). From the result, subtract the sum of lines 7 through 11a, 15e, and 16b |  | 23               | -17,837 |  |

| Schedule L<br>Balance Sheets per Books                 | Beginning of tax year |     | End of tax year |         |
|--|-----------------------|-----|-----------------|---------|
|  | (a)                   | (b) | (c)             | (d)     |
| <b>Assets</b>  |                       |     |                 |         |
| 1 Cash   |                       |     |                 | 1,244   |
| 2a Trade notes and accounts receivable                 |                       |     | 26,046          |         |
| b Less allowance for bad debts                         |                       |     |                 | 26,046  |
| 3 Inventories  |                       |     |                 |         |
| 4 U.S. Government obligations                          |                       |     |                 |         |
| 5 Tax-exempt securities                                |                       |     |                 |         |
| 6 Other current assets (attach schedule)               |                       |     |                 |         |
| 7 Loans to shareholders                                |                       |     |                 |         |
| 8 Mortgage and real estate loans                       |                       |     |                 |         |
| 9 Other investments (attach schedule)                  |                       |     |                 |         |
| 10a Buildings and other depreciable assets             |                       |     | 840,770         |         |
| b Less accumulated depreciation                        |                       |     | 42,041          | 798,729 |
| 11a Depletable assets                                  |                       |     |                 |         |
| b Less accumulated depletion                           |                       |     |                 |         |
| 12 Land (net of any amortization)                      |                       |     |                 | 50,000  |
| 13a Intangible assets (amortizable only)               |                       |     |                 |         |
| b Less accumulated amortization                        |                       |     |                 |         |
| 14 Other assets (attach schedule)                      |                       |     |                 |         |
| 15 Total assets  |                       | 0   |                 | 876,019 |
| <b>Liabilities and Shareholders' Equity</b>            |                       |     |                 |         |
| 16 Accounts payable                                    |                       |     |                 | 3,000   |
| 17 Mortgages, notes, bonds payable in less than 1 year |                       |     |                 |         |
| 18 Other current liabilities (attach schedule)         |                       |     |                 |         |
| 19 Loans from shareholders                             |                       |     |                 |         |
| 20 Mortgages, notes, bonds payable in 1 year or more   |                       |     |                 | 252,021 |
| 21 Other liabilities (attach schedule)                 |                       |     |                 |         |
| 22 Capital stock                                       |                       |     |                 | 719,835 |
| 23 Additional paid-in capital                          |                       |     |                 |         |
| 24 Retained earnings                                   |                       |     |                 | -98,837 |
| 25 Adjustment to shareholders' equity                  |                       |     |                 |         |
| 26 Less cost of treasury stock                         |                       |     |                 |         |
| 27 Total liabilities and shareholders' equity          |                       | 0   |                 | 876,019 |

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**  
 (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

|   |         |  |         |
|---|---------|--|---------|
| 1 Net income (loss) per books   | -17,837 | 5 Income recorded on books this year not included on Schedule K, lines 1 through 6 (itemize):                                |         |
| 2 Income included on Schedule K, lines 1 through 6, not recorded on books this year (itemize):                  |         | a Tax-exempt interest \$   |         |
| 3 Expenses recorded on books this year not included on Schedule K, lines 1 through 11a, 15e, and 16b (itemize): |         | 6 Deductions included on Schedule K, lines 1 through 11a, 15e, and 16b, not charged against book income this year (itemize): |         |
| a Depreciation \$   |         | a Depreciation \$  |         |
| b Travel and entertainment \$   |         | 7 Add lines 5 and 6  | 0       |
| Add lines 1 through 3   | -17,837 | 8 Income (loss) (Schedule K, line 23). Line 4 less line 7.   | -17,837 |

**Schedule M-2 Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed** (see page 24 of the instructions)

|   | (a) Accumulated adjustments account | (b) Other adjustments account | (c) Shareholders' undistributed taxable income previously taxed |
|---|-------------------------------------|-------------------------------|---|
| 1 Balance at beginning of tax year                        | 0                                   |                               |   |
| 2 Ordinary income from page 1, line 21                    |                                     |                               |   |
| 3 Other additions   |                                     |                               |   |
| 4 Loss from page 1, line 21                               | (17,837)                            |                               |   |
| 5 Other reductions  |                                     |                               |   |
| 6 Combine lines 1 through 5                               | -17,837                             |                               |   |
| 7 Distributions other than dividend distributions         | 81,000                              |                               |   |
| 8 Balance at end of tax year. Subtract line 7 from line 6 | -98,837                             |                               |   |



**SCHEDULE K-1**  
**(Form 1120S)**

**Shareholder's Share of Income, Credits, Deductions, etc.**

OMB No. 1545-0130

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.  
For calendar year 1999 or tax year

**1999**

beginning , 1999, and ending

Shareholder's identifying number ▶ **434-94-1551**

Corporation's identifying number ▶ **65-0824222**

Shareholder's name, address, and ZIP code

**JOHN R. BOYER**  
**PO BOX 5145**  
**GROVE CITY, FL 34224**

Corporation's name, address, and ZIP code

**LITTLE GASPARILLA WATER UTILITY, INC.**  
**PO BOX 5159**  
**GROVE CITY, FL 34224**

**A** Shareholder's percentage of stock ownership for tax year (see instructions for Schedule K-1) ..... ▶ **100%**

**B** Internal Revenue Service Center where corporation filed its return ▶ **Atlanta, GA**

**C** Tax shelter registration number (see instructions for Schedule K-1) ..... **D**

**D** Check applicable boxes: (1)  Final K-1 (2)  Amended K-1

|   | (a) Pro rata share items  | (b) Amount                                       | (c) Form 1040 filers enter the amount in column (b) on:  |
|---|---|--|--|
| <b>INCOME</b>   | <b>1</b> Ordinary income (loss) from trade or business activities. ....         | <b>1</b> -17,837                                 | } See pages 4 and 5 of the Shareholder's instructions for Schedule K-1 (Form 1120S).<br><br>Sch. B, Part I, line 1<br>Sch. B, Part II, line 5<br>Sch. E, Part I, line 4<br>Sch. D, line 5, col. (f)<br><br>Sch. D, line 12, col. (g)<br>Sch. D, line 12, col. (f)<br>(Enter on applicable line of your return)<br><br>See Shareholder's instructions for Schedule K-1 (Form 1120S).<br>(Enter on applicable line of your return) |
|   | <b>2</b> Net income (loss) from rental real estate activities. ....             | <b>2</b>   |  |
|   | <b>3</b> Net income (loss) from other rental activities. ....                   | <b>3</b>   |  |
|   | <b>4</b> Portfolio income (loss):   |  |  |
|   | <b>a</b> Interest. ....   | <b>4a</b>  |  |
|   | <b>b</b> Ordinary dividends. ....   | <b>4b</b>  |  |
|   | <b>c</b> Royalties. ....  | <b>4c</b>  |  |
|   | <b>d</b> Net short-term capital gain (loss). ....                               | <b>4d</b>  |  |
|   | <b>e</b> Net long-term capital gain (loss):                                     |  |  |
|   | (1) 28% rate gain (loss). ....  | <b>e(1)</b>                                      |  |
| (2) Total for year. ....  | <b>e(2)</b>   |  |  |
| <b>f</b> Other portfolio income (loss) (attach schedule). ....  | <b>4f</b>   |  |  |
| <b>5</b> Net section 1231 gain (loss) (other than due to casualty or theft). ....                               | <b>5</b>  |  |  |
| <b>6</b> Other income (loss) (attach schedule). ....  | <b>6</b>  |  |  |
| <b>DEDUCTIONS</b>   | <b>7</b> Charitable contributions (attach schedule). ....                       | <b>7</b>   | Sch. A, line 15 or 16  |
|   | <b>8</b> Section 179 expense deduction. ....                                    | <b>8</b>   | } See page 6 of the Shareholder's instructions for Schedule K-1 (Form 1120S).  |
|   | <b>9</b> Deductions related to portfolio income (loss) (attach schedule). ....  | <b>9</b>   |  |
|   | <b>10</b> Other deductions (attach schedule). ....                              | <b>10</b>  |  |
| <b>INVESTMENT</b>   | <b>11a</b> Interest expense on investment debts. ....                           | <b>11a</b>                                       |  |
|   | <b>b</b> (1) Investment income included on lines 4a, 4b, 4c, and 4f above. .... | <b>b(1)</b>                                      | } See Shareholder's instructions for Schedule K-1 (Form 1120S).  |
|   | (2) Investment expenses included on line 9 above. ....                          | <b>b(2)</b>                                      |  |
|   | <b>DEDUCTIONS</b>   | <b>12a</b> Credit for alcohol used as fuel. .... | <b>12a</b>   |
| <b>b</b> Low-income housing credit:   |   |  | } Form 8586, line 5  |
| (1) From section 42(f)(5) partnerships for property placed in service before 1990. ....                         |   | <b>b(1)</b>                                      |  |
| (2) Other than on line 12b(1) for property placed in service before 1990. ....                                  |   | <b>b(2)</b>                                      |  |
| (3) From section 42(f)(5) partnerships for property placed in service after 1989. ....                          |   | <b>b(3)</b>                                      |  |
| (4) Other than on line 12b(3) for property placed in service after 1989. ....                                   |   | <b>b(4)</b>                                      |  |
| <b>c</b> Qualified rehabilitation expenditures related to rental real estate activities. ....                   |   | <b>12c</b>                                       | } See pages 7 of the Shareholder's instructions for Schedule K-1 (Form 1120S).   |
| <b>d</b> Credits (other than credits shown on lines 12b and 12c) related to rental real estate activities. .... |   | <b>12d</b>                                       |  |
| <b>e</b> Credits related to other rental activities. ....   | <b>12e</b>  |  |  |
| <b>13</b> Other credits. ....   | <b>13</b>   |  |  |

For Paperwork Reduction Act Notice, see page 1 of Instructions for Form 1120S.

Schedule K-1 (Form 1120S) 199



|  |  | (a) Pro rata share items   | (b) Amount | (c) Form 1040 filers enter amount in column (b) on:   |                                |
|--|--|--|------------|---|--------------------------------|
| A<br>D<br>J<br>U<br>S<br>T<br>I<br>C<br>E<br>S<br> | 14 a   | Depreciation adjustment on property placed in service after 1986   | 14a        | See page 7 of the Shareholder's Instructions for Schedule K-1 (Form 1120S) and Instructions for Form 6251.  |                                |
|  | b  | Adjusted gain or loss  | 14b        |   |                                |
|  | c  | Depletion (other than oil and gas)   | 14c        |   |                                |
|  | d (1)  | Gross income from oil, gas, or geothermal properties   | d(1)       |   |                                |
|  | d (2)  | Deductions allocable to oil, gas, or geothermal properties   | d(2)       |   |                                |
|  | e  | Other adjustments and tax preference items (attach schedule)   | 14e        |   |                                |
| F<br>O<br>R<br>E<br>I<br>G<br>N<br>                | 15 a   | Type of income ▶   |            | Form 1116, Check boxes  |                                |
|  | b  | Name of foreign country or U.S. possession ▶   |            |   |                                |
|  | c  | Total gross income from sources outside the United States (attach sch)                                     | 15c        |   | Form 1116, Part I              |
|  | d  | Total applicable deductions and losses (attach schedule)   | 15d        |   |                                |
|  | e  | Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued            | 15e        |   | Form 1116, Part II             |
|  | f  | Reduction in taxes available for credit (attach schedule)  | 15f        |   | Form 1116, Part III            |
|  | g  | Other foreign tax information (attach schedule)  | 15g        |   | See Instructions for Form 1116 |
| D<br>I<br>V<br>I<br>D<br>E<br>N<br>D<br>S<br>      | 16   | Section 59(e)(2) expenditures: a Type ▶  |            | See Shareholder's Instructions for Schedule K-1 (Form 1120S) Form 1040, line 8b.                            |                                |
|  | b  | Amount   | 16b        |   |                                |
|  | 17   | Tax-exempt interest income   | 17         | See pages 7 and 8 of the Shareholders' Instructions for Schedule K-1 (Form 1120S).<br><br>Form 8611, line 8 |                                |
|  | 18   | Other tax-exempt income  | 18         |   |                                |
|  | 19   | Nondeductible expenses   | 19         |   |                                |
|  | 20   | Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV | 20         |   | 81,000                         |
|  | 21   | Amount of loan repayments for "Loans From Shareholders"  | 21         |   |                                |
|  | 22   | Recapture of low-income housing credit:  |            |   |                                |
|  | a  | From section 42(j)(5) partnerships   | 22a        |   |                                |
|  | b  | Other than on line 22a   | 22b        |   |                                |
| 23   | Supplemental information required to be reported separately to each shareholder (attach additional schedules if more space is needed): |  |            |   |                                |

Shareholder 1 : JOHN R. BOYER 434-94-1551

# Depreciation and Amortization

## (Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach this form to your return.

Name(s) shown on return

Identifying number

**LITTLE GASPARILLA WATER UTILITY, INC.**

**65-0824222**

Business or activity to which this form relates

Form **1120S**

**Part I Election To Expense Certain Tangible Property (Section 179)** (Note: If you have any "listed property," complete Part V before you complete Part I.)

|   |   |           |
|---|---|-----------|
| 1 Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions   | 1 | \$19,000  |
| 2 Total cost of section 179 property placed in service. See page 2 of the instructions  | 2 |           |
| 3 Threshold cost of section 179 property before reduction in limitation   | 3 | \$200,000 |
| 4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-  | 4 |           |
| 5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions | 5 |           |

| (a) Description of property | (b) Cost (business use only) | (c) Elected cost |  |
|-----------------------------|------------------------------|------------------|--|
|                             |                              |                  |  |
|                             |                              |                  |  |
|                             |                              |                  |  |
|                             |                              |                  |  |

|   |      |  |
|---|------|--|
| 7 Listed property. Enter amount from line 27  | 7    |  |
| 8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7                                | 8    |  |
| 9 Tentative deduction. Enter the smaller of line 5 or line 8  | 9    |  |
| 10 Carryover of disallowed deduction from 1998. See page 2 of the instructions  | 10   |  |
| 11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions) | 11   |  |
| 12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.                             | 12   |  |
| 13 Carryover of disallowed deduction to 2000. Add lines 9 and 10, less line 12  | ▶ 13 |  |

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

**Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1999 Tax Year (Do Not Include Listed Property.)**

**Section A - General Asset Account Election**

14 If you are making the election under section 168(f)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions ▶

**Section B - General Depreciation System (GDS) (See page 3 of the instructions.)**

| (a) Classification of property | (b) Month and year placed in service | (c) Basis for depreciation (business/investment use only - see instructions) | (d) Recovery period | (e) Convention | (f) Method | (g) Depreciation deduction |
|--------------------------------|--------------------------------------|--|---------------------|----------------|------------|----------------------------|
| 15a 3-year property            |                                      |  |                     |                |            |                            |
| b 5-year property              |                                      |  |                     |                |            |                            |
| c 7-year property              |                                      |  |                     |                |            |                            |
| d 10-year property             |                                      | 840,771  | 10                  | HY             | S/L        | 42,041                     |
| e 15-year property             |                                      |  |                     |                |            |                            |
| f 20-year property             |                                      |  |                     |                |            |                            |
| g 25-year property             |                                      |  | 25 yrs              |                | S/L        |                            |
| h Residential rental property  |                                      |  | 27.5 yrs            | MM             | S/L        |                            |
|                                |                                      |  | 27.5 yrs            | MM             | S/L        |                            |
| i Nonresidential real property |                                      |  | 39 yrs              | MM             | S/L        |                            |
|                                |                                      |  |                     | MM             | S/L        |                            |

**Section C - Alternative Depreciation System (ADS): (See page 5 of the instructions.)**

|                |  |  |        |    |     |  |
|----------------|--|--|--------|----|-----|--|
| 16a Class life |  |  |        |    | S/L |  |
| b 12-year      |  |  | 12 yrs |    | S/L |  |
| c 40-year      |  |  | 40 yrs | MM | S/L |  |

**Part III Other Depreciation (Do Not Include Listed Property.) (See page 5 of the instructions.)**

|   |    |  |
|---|----|--|
| 17 GDS and ADS deductions for assets placed in service in tax years beginning before 1999 | 17 |  |
| 18 Property subject to section 168(f)(1) election   | 18 |  |
| 19 ACRS and other depreciation  | 19 |  |

**Part IV Summary (See page 6 of the instructions.)**

|   |    |        |
|---|----|--------|
| 20 Listed property. Enter amount from line 28   | 20 |        |
| 21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships & S corporations - see instructions | 21 | 42,041 |
| 22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs  | 22 |        |

LITTLE GASPARILLA WATER UTILITY, INC.

65-0824222

Statement 1  
Form 1120S, Line 19  
Other Deductions

|                              |    |               |
|------------------------------|----|---------------|
| Bank Charges .....           | \$ | 58            |
| Contract Labor .....         |    | 42,350        |
| Insurance .....              |    | 736           |
| Legal and Professional ..... |    | 750           |
| Materials .....              |    | 78            |
| Miscellaneous .....          |    | 80            |
| Travel .....                 |    | 250           |
| Utilities .....              |    | 5,144         |
| Total                        | \$ | <u>49,446</u> |

**Little Gasparilla Water Utility, Inc.**  
**Profit and Loss**  
 January through September 2000

11/20/00

|                                | Jan - Sep '00 |
|--------------------------------|---------------|
| <b>Ordinary Income/Expense</b> |               |
| <b>Income</b>                  |               |
| <b>Sales</b>                   |               |
| Base Charge                    | 116,168.34    |
| <b>Total Sales</b>             | 116,168.34    |
| <b>Total Income</b>            | 116,168.34    |
| <b>Gross Profit</b>            | 116,168.34    |
| <b>Expenses</b>                |               |
| Automobile Expense             | 639.50        |
| Bank Service Charges           | 132.03        |
| Contract Labor                 | 32,945.99     |
| Contributions                  | 100.00        |
| Depreciation Expense           | 63,056.97     |
| Equipment Rental               | 100.00        |
| Interest Expense               |               |
| Loan Interest                  | 14,073.99     |
| <b>Total Interest Expense</b>  | 14,073.99     |
| Materials                      | 3,986.26      |
| Miscellaneous                  | 14,123.79     |
| Postage and Delivery           | 201.60        |
| Professional Fees              | 1,000.00      |
| Repairs                        |               |
| Equipment Repairs              | 113.51        |
| <b>Total Repairs</b>           | 113.51        |
| Supplies                       | 1,270.02      |
| Taxes                          |               |
| State                          | 300.00        |
| <b>Total Taxes</b>             | 300.00        |
| <b>UTILITIES</b>               |               |
| Gas and Electric               | 6,916.52      |
| <b>Total Utilities</b>         | 6,916.52      |
| <b>Total Expense</b>           | 139,777.08    |
| <b>Net Ordinary Income</b>     | -23,608.74    |
| <b>Net Income</b>              | -23,608.74    |

#2

11/13/00

**Little Gasparilla Water, Inc.**  
**Profit and Loss**  
 April through December 1999

|                                | <u>Apr - Dec '99</u>     |
|--------------------------------|--------------------------|
| <b>Ordinary Income/Expense</b> |                          |
| <b>Income</b>                  |                          |
| <b>Sales</b>                   |                          |
| Base Charge                    | 65,520.40                |
| Usage                          | 30,654.45                |
| Water Connections              | 21,100.00                |
| <b>Total Sales</b>             | <u>117,274.85</u>        |
| <b>Total Income</b>            | 117,274.85               |
| <b>Cost of Goods Sold</b>      |                          |
| Operator Labor                 | 6,192.54                 |
| <b>Total COGS</b>              | <u>6,192.54</u>          |
| <b>Gross Profit</b>            | 111,082.31               |
| <b>Expense</b>                 |                          |
| Advertising                    | 300.00                   |
| Bank Service Charges           | 58.00                    |
| Contract labor                 | 42,350.00                |
| Depreciation Expense           | 42,041.00                |
| <b>Insurance</b>               |                          |
| Liability Insurance            | 736.00                   |
| <b>Total Insurance</b>         | <u>736.00</u>            |
| <b>Interest Expense</b>        |                          |
| Loan Interest                  | 27,116.54                |
| Mortgage                       | 2,482.94                 |
| <b>Total Interest Expense</b>  | <u>29,599.48</u>         |
| Licenses and Permits           | 481.25                   |
| Materials                      | 77.57                    |
| Professional Fees              | 750.00                   |
| <b>Repairs</b>                 |                          |
| Computer Repairs               | 400.00                   |
| Equipment Repairs              | 6,671.70                 |
| <b>Total Repairs</b>           | <u>7,071.70</u>          |
| <b>Travel &amp; Ent</b>        |                          |
| Entertainment                  | 250.00                   |
| <b>Total Travel &amp; Ent</b>  | <u>250.00</u>            |
| <b>Utilities</b>               |                          |
| Gas and Electric               | 4,324.06                 |
| Utilities - Other              | 820.00                   |
| <b>Total Utilities</b>         | <u>5,144.06</u>          |
| <b>Total Expense</b>           | <u>128,839.06</u>        |
| <b>Net Ordinary Income</b>     | -17,756.75               |
| <b>Other Income/Expense</b>    |                          |
| Other Income                   |                          |
| Other Income                   | -79.65                   |
| <b>Total Other Income</b>      | <u>-79.65</u>            |
| <b>Net Other Income</b>        | <u>-79.65</u>            |
| <b>Net Income</b>              | <u><u>-17,836.40</u></u> |

11/13/00

**Little Gasparilla Water, Inc.**  
**Balance Sheet**  
 As of December 31, 1999

**COPY**

|                                       | <u>Dec 31, '99</u>       |
|---------------------------------------|--------------------------|
| <b>ASSETS</b>                         |                          |
| <b>Current Assets</b>                 |                          |
| Checking/Savings                      |                          |
| Cash                                  | 1,244.39                 |
| Total Checking/Savings                | <u>1,244.39</u>          |
| Other Current Assets                  |                          |
| A/R                                   | 26,046.40                |
| Total Other Current Assets            | <u>26,046.40</u>         |
| Total Current Assets                  | 27,290.79                |
| <b>Fixed Assets</b>                   |                          |
| Accumulated Depreciation              | -42,041.00               |
| Building & other assets               | 840,770.09               |
| Land & Easements                      | 50,000.00                |
| Total Fixed Assets                    | <u>848,729.09</u>        |
| <b>TOTAL ASSETS</b>                   | <u><u>876,019.88</u></u> |
| <b>LIABILITIES &amp; EQUITY</b>       |                          |
| <b>Liabilities</b>                    |                          |
| <b>Current Liabilities</b>            |                          |
| Other Current Liabilities             |                          |
| A/P                                   | 3,000.00                 |
| Total Other Current Liabilities       | <u>3,000.00</u>          |
| Total Current Liabilities             | 3,000.00                 |
| <b>Long Term Liabilities</b>          |                          |
| N/P-Premier Bank                      | 100,000.00               |
| N/P-Premier Bank(2)                   | 142,020.80               |
| N/P-T.G.                              | 10,000.00                |
| Total Long Term Liabilities           | <u>252,020.80</u>        |
| Total Liabilities                     | 255,020.80               |
| <b>Equity</b>                         |                          |
| Capital Stock                         | 719,835.48               |
| Distributions                         | -81,000.00               |
| Net Income                            | -17,836.40               |
| Total Equity                          | <u>620,999.08</u>        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <u><u>876,019.88</u></u> |

#2

**Little Gasparilla Water Utility, Inc.**  
**Balance Sheet**  
 As of September 30, 2000

11/20/00

|  | Sep 30, '00 |
|--|-------------|
| <b>ASSETS</b>                          |             |
| <b>Current Assets</b>                  |             |
| Checking/Savings                       |             |
| Cash                                   | 333.32      |
| <b>Total Checking/Savings</b>          | 333.32      |
| <b>Other Current Assets</b>            |             |
| AR                                     | 28,454.20   |
| <b>Total Other Current Assets</b>      | 28,454.20   |
| <b>Total Current Assets</b>            | 28,787.52   |
| <b>Fixed Assets</b>                    |             |
| Accumulated Depreciation               | -106,067.97 |
| Building & other assets                | 840,770.09  |
| Land & Investments                     | 60,000.00   |
| <b>Total Fixed Assets</b>              | 795,672.12  |
| <b>TOTAL ASSETS</b>                    | 814,459.64  |
| <b>LIABILITIES &amp; EQUITY</b>        |             |
| <b>Liabilities</b>                     |             |
| <b>Current Liabilities</b>             |             |
| Other Current Liabilities              |             |
| AP                                     | 3,000.00    |
| <b>Total Other Current Liabilities</b> | 3,000.00    |
| <b>Total Current Liabilities</b>       | 3,000.00    |
| <b>Long Term Liabilities</b>           |             |
| NFP-Premier Bank                       | 100,000.00  |
| NFP-Premier Bank(2)                    | 134,323.19  |
| NFP-T.G.                               | 10,000.00   |
| <b>Total Long Term Liabilities</b>     | 244,323.19  |
| <b>Total Liabilities</b>               | 247,323.19  |
| <b>Equity</b>                          |             |
| Capital Stock                          | 710,895.48  |
| Distributions                          | -124,532.06 |
| Retained Earnings                      | -4,547.63   |
| Net Income                             | -23,619.84  |
| <b>Total Equity</b>                    | 567,195.45  |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>  | 814,459.64  |